

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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ADAM J. STARKE, Individually and On)		
Behalf of All Others Similarly Situated,)	No:	16-cv-7036
)		
Plaintiff,)		
)		
vs.)	CLASS ACTION COMPLAINT	
)		
SQUARETRADE, INC.,)		
)	DEMAND FOR JURY TRIAL	
Defendant.)		
)		
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Now comes Plaintiff Adam Starke (“Plaintiff” or “Starke”), by and through his attorneys, on behalf of himself and all others similarly situated, and for his Complaint states as follows:

NATURE OF ACTION

1. This action seeks to remedy the unfair, deceptive, and unlawful business practices of SquareTrade, Inc. (“Defendant” or “SquareTrade”) with respect to the advertising, marketing and sales of Protection Plans through Amazon.com as to consumer electronics and appliances costing between \$1.00 and \$6,000.

2. Defendant SquareTrade fraudulently and deceptively markets, sells, and distributes its Protection Plans through Amazon.com using three distinct fraudulent and deceptive practices.

3. First, when selling its Protection Plans, SquareTrade does not provide the legally-required pre-sale access to the Terms and Conditions of the respective Protection Plans. These Terms and Conditions severely restrict and contradict the seemingly broad coverage presented in SquareTrade’s product pages on Amazon.com.

4. For the vast majority of Protections Plans, a link to the pre-sale copy of the Terms and Conditions is buried, in a non-descript section titled “Technical Specification,” several screens below the purchase section of the product page and below advertisements for unrelated products and all manner of non-essential information.

5. Second, the pre-sale copy of the Terms and Conditions that SquareTrade provides to the consumer is a false contract – *i.e.*, a Terms and Conditions document that is drastically ***different and more generous*** than the post-sale Terms and Conditions that SquareTrade enforces against the customer after she purchases a Protection Plan. As soon the Protection Plan is purchased, the customer is simply provided a link to a different set of Terms and Conditions.

6. Third, for years, SquareTrade has been knowingly selling fake Protection Plans to Amazon.com customers. SquareTrade routinely sells Protection Plans that cover products that are not eligible for coverage because the underlying product was not bought at Amazon.com. SquareTrade does not properly inform visitors to its Amazon.com storefront that Protection Plans do not cover consumer products that were not purchased on Amazon.com.

7. SquareTrade has continued to sell these fake Protection Plans despite years of consumer complaints.

8. SquareTrade enriches itself by selling such Protection Plans using a simple and fraudulent scheme: If a customer files a claim for such coverage, SquareTrade informs the customer that the Protection Plan is void and cancels the policy. If a customer does not make a claim, SquareTrade keeps the premium and does not inform the consumer that the policy was void *ab initio*.

9. This action seeks to remedy SquareTrade’s deceptive and fraudulent practices.

10. All of Defendant's actions described in this Complaint are part of, and in furtherance of, the unlawful conduct alleged herein, and were authorized and/or done by SquareTrade's various officers, agents, employees, or other representatives while actively engaged in the management of SquareTrade's affairs within the course and scope of their duties and employment, and/or with the actual, apparent, and/or ostensible authority of the SquareTrade.

11. Through this action, Plaintiff seeks injunctive relief on behalf of the public, and actual damages, restitution and/or disgorgement of profits, statutory damages, attorneys' fees, costs, and all other relief available to the Class as a result of SquareTrade's unlawful conduct.

JURISDICTION AND VENUE

12. Claims asserted herein arise under the laws of the State of New York and other states, and the laws of the United States, including the Magnuson-Moss Warranty Act, 15 U.S.C. § 2301, *et seq.* (the "MMWA").

13. This Court has subject matter jurisdiction pursuant to the Class Action Fairness Act of 2005, 28 U.S.C. § 1332(d), because at least one class member is of diverse citizenship from one defendant, there are more than 100 class members that are citizens of New York, and the aggregate amount in controversy exceeds \$5,000,000. The Court also has jurisdiction over the MMWA claims pursuant to 28 U.S.C. § 1337.

14. Venue is proper in this District under 28 U.S.C. § 1391(a) because Plaintiff resides within it and Defendant has caused harm to Starke and class members residing in this District.

PARTIES

15. Plaintiff, Adam J. Starke, is a resident of Brooklyn, Kings County, New York and, thus, is a citizen of New York.

16. Plaintiff is a consumer.

17. Defendant SquareTrade, Inc. is a corporation existing under the laws of the state of Delaware with its principal place of business located at 360 3rd Street, 6th Floor, San Francisco, California, 94107.

18. Defendant is a merchant in the business of marketing, selling and administering extended warranties, service contracts and accident protection plans for a broad range of consumer products, including household and electronic devices. Defendant claims to have sold some 25 million such contracts, marketed as “Protection Plans.”

STATEMENT OF FACTS

A. SquareTrade’s Products and Sales through Amazon.com

19. SquareTrade markets, sells and administers extended warranties, accident protection and service plans for consumer products, including smartphones, kitchen appliances, and computers. SquareTrade boasts of having over 25 million customers and represents its Protection Plans as the protection of “mobile devices, laptops and tablets, and other consumer electronics and appliances from malfunctions, accidental damage and life’s frequent mishaps.”

20. SquareTrade sells its Protection Plans through a number of major retailers, such as amazon.com (Amazon.com), Costco, Sam’s Club, Target, Staples, Office Depot and Toys “R” Us.

21. Upon information and belief, SquareTrade's largest online partner is Amazon.com, where it has sold hundreds of thousands and, perhaps, millions of Protection Plans for merchandise bought at Amazon.com and other retailers. SquareTrade sells its products on Amazon.com through "storefronts" listing hundreds of Protection Plans, categorized by type and cost of covered product.

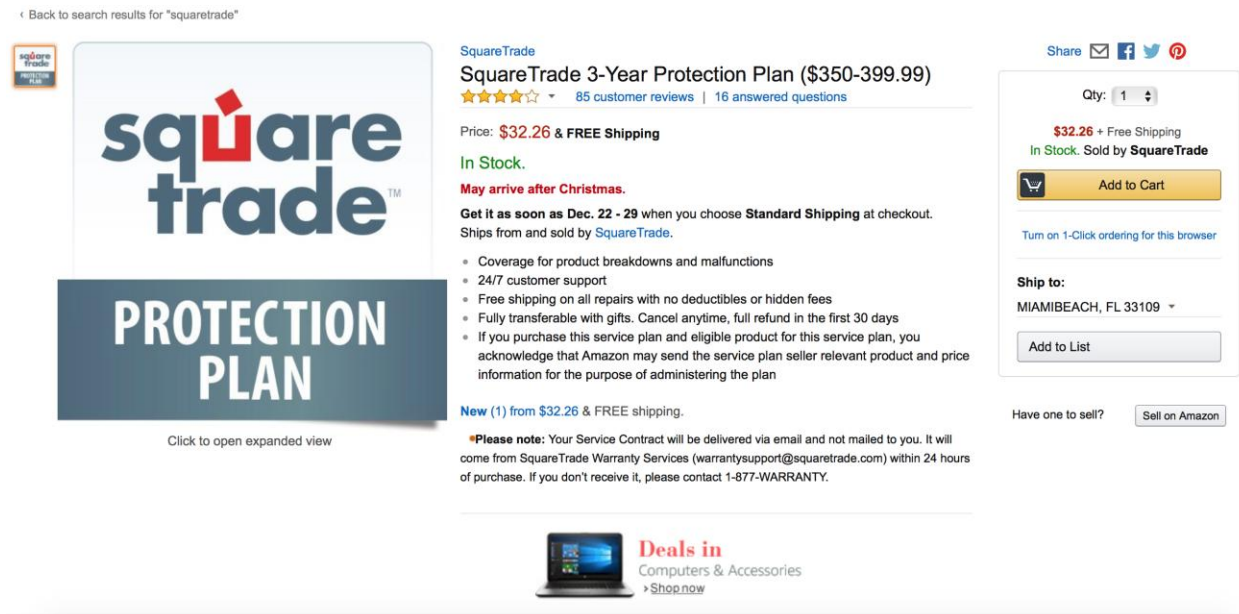
22. SquareTrade sells its Protection Plans through Amazon.com as either a stand-alone item or as an add-on to an existing purchase.

23. For example, when an Amazon.com customer purchases a kitchen appliance, the customer might receive a pop-up screen offering a SquareTrade Protection Plan for that item, from where the consumer can access SquareTrade's storefront on Amazon.com.

24. For customers who purchased that same kitchen appliance from a source other than Amazon.com, the same Protection Plans are offered to consumers by SquareTrade through the same Amazon.com storefront.

25. SquareTrade offers Protection Plans tailored to both broad and narrow product lines, including, but not limited to, electronics, computers, furniture, televisions, game consoles, home audio-video systems, and Amazon devices (e.g., the Amazon Kindle). SquareTrade also varies the scope and pricing of its Protection Plans based on how many of years' of coverage it provides and the costs of the covered product, covering products valued from \$1 to \$6,000.

26. Below is a screenshot of a representative coverage plan offered by SquareTrade on Amazon.com.



27. Once a consumer purchases a Protection Plan on Amazon.com, the consumer receives a confirmation email from Amazon.com, followed by a confirmation email from SquareTrade.

28. SquareTrade's email follows the provision to it by Amazon.com of the customer's transactional details, including the identity of the underlying product covered by the Protection Plan.

29. The confirmation email from SquareTrade sets out the general contract terms, and provides a link or other access to the Terms and Conditions of the Protection Plan.

30. The consumer is also instructed by the email from SquareTrade to log in or create an account on SquareTrade's website, where a link to the Terms and Conditions of the Protection Plans are again provided as to the respective Protection Plan. The consumer is also immediately asked to upload a copy of the receipt for the product being covered, and told that uploading that receipt is a necessary condition to submitting a claim under the Protection Plan.

B. SquareTrade Fails to Provide Clear and Conspicuous Pre-Sale Access to the Terms and Conditions of the Coverage Plans

31. The description of the Protection Plans on Amazon.com contains general platitudes about the coverage and the purported benefits of SquareTrade's coverage, but makes it close to impossible to discover the severe coverage limitations that apply to these plans. In fact the webpage is structured such that the customer concludes her purchase of the Protection Plan prior to any but the remotest possibility of discovering that highly-limiting terms and conditions exist. None of those limitations are listed in the product pages, but are only available in the formal "terms and conditions" of the Protection Plans (the "Terms and Conditions").

32. As an example, although SquareTrade claims on its Amazon.com product page that "Your plan begins on the date you purchased your item", SquareTrade typically does not provide any protection for up to 30 days after the purchase of the Protection Plan unless the coverage was bought simultaneously with the product. SquareTrade takes the position that any coverage event that occurs in the first 30 days is considered a pre-existing defect not covered by the Protection Plan. Such information is available only in the Terms and Conditions.

33. Additionally, the Terms and Conditions provide 1) that a third-party company (depending on the geography of the customer) is responsible for the coverage under the Protection Plan; 2) the involvement of an insurer to whom a consumer can appeal from a SquareTrade claim denial; 3) and a long list of exclusions and restrictions to coverage not disclosed prior to purchasing the Protection Plan, e.g. "claims made under any improperly or incorrectly purchased Protection Plan."

34. Despite the numerous restrictions in the Terms and Conditions, SquareTrade fails to provide clear and conspicuous disclosure of the Terms and Conditions prior to the sale as required by law. The customer has to buy the Protection Plan to obtain reasonable access to the

coverage restrictions in the Terms and Conditions. In fact, SquareTrade designed its sales materials to make it difficult to impossible for the consumer to access Terms and Conditions.

35. Generally, there are no instructions on how to receive a pre-sale copy of Terms and Conditions. Indeed, the advertised plan description leads the consumer to believe that she will receive the Terms and Conditions only after she purchases the plan – and that a pre-sale copy is not readily available. SquareTrade typically informs the consumer that “Your Service Contract will be delivered via email and not mailed to you. It will come from SquareTrade Warranty Services (warrantysupport@squaretrade.com) within 24 hours of purchase.” (*See, e.g.*, <https://www.amazon.com/SquareTrade-3-Year-Electronics-Protection-350-400/dp/B001N82KO2>)

36. The Amazon.com product page for SquareTrade’s Protection Plans, on which the consumer executes her transaction, does not reference, link to, or otherwise create awareness of the Terms and Conditions of the Protection Plan. Instead, when the customer has a claim and it is “too late,” the claim is often denied based on Terms and Conditions to which the customer did not assent prior to purchasing her Protection Plan.

37. A pre-sale link to Terms and Conditions is buried, in a non-descript section titled “Technical Specification,” several screens below the purchase section of the product page and below advertisements for unrelated products and all manner of non-essential information. This remotest of disclosure consists of a hyperlink with the words “Warranty [pdf]” that is a link to <https://images-na.ssl-images-amazon.com/images/I/51Y1uUTi6rL.pdf> (the “Pre-Sale Terms and Conditions”; Exh. 1). (In any case, as described in the section below, this link with the purported Terms and Conditions, inconspicuously disclosed at best, is fraudulent, and a different, more

restrictive Terms and Conditions are provided to the customer by SquareTrade after the customer has concluded her purchase of the Protection Plan.)

38. For Protection Plans for Amazon-manufactured devices such as the Amazon Kindle or Amazon Echo, SquareTrade provides some instructions and a link to access a pre-sale copy of the Terms and Conditions, but only if the customer will scroll down (below advertisements for unrelated products) and fails to do so in a clear and conspicuous manner as required by law. (In any case, as described in the section below, the pre-sale copy of the Terms and Conditions document provided at this link are fraudulent, and a different, more restrictive Terms and Conditions are provided to the customer by SquareTrade after the customer has concluded her purchase of the Protection Plan.)

C. SquareTrade Deceptively and Fraudulently Provides Pre-Sale Terms and Conditions that Are Different and Less Restrictive than the Terms and Conditions Provided to the Customer After She Purchases the Protection Plan

39. Shockingly, if a customer attempts to access a pre-sale copy of the Terms and Conditions, SquareTrade provides the consumer with a false contract – *i.e.*, a Terms and Conditions document that is ***different and less restrictive*** than the Terms and Conditions that SquareTrade enforces after the customer purchases a Protection Plan (the “Post-Sale Terms and Conditions”; Exh. 2). (*Compare* Exh. 1 to Exh. 2.)

40. The Pre-Sale Terms and Conditions differs from the Post-Sale Terms and Conditions in that it adds a number of restrictions to the scope of the coverage, including, but not limited to, a) expanding the “no-lemon” exclusion policy; b) drastically increasing the number of defective pixels required for a cell phone or tablet screen to be considered defective; c) adding limitations such that certain defects are only covered to the extent covered by manufacturer’s warranty; d) adding an exclusion for products that were fraudulent described even where the

misrepresentation was not by the customer; e) exclusion of any claim that is covered by a manufacturer's warranty but denied by the manufacturer – even if the claim was otherwise eligible under the Protection Plan, and f) adding a California choice of law requirement.

41. Most egregiously, the Post-Sale Terms and Conditions purport to include a waiver and forfeiture of individual/class remedies and access to the courts that is not included in the Pre-Sale Terms and Conditions accessible through the inconspicuous “Warranty” link described in ¶ 37 above.

42. In the fraudulent Post-Sale Terms and Conditions, SquareTrade created an arbitration scheme that effectively removes any ability to obtain a remedy for most disputes. Although absent from any pre-sale documentation, the Post-Sale Terms and Conditions requires the consumer to proceed in arbitration, while requiring the consumer to pay arbitration costs *even if consumer wins*, unless the consumer recovers more than \$500.

43. In other words, no reasonable consumer would pursue a claim unless the claim is certain to win more than \$500, because the customer would suffer a net loss even if she wins the arbitration.

44. Given that the value of a repair or even the total value of the covered product is routinely less than \$500, the fraudulent Post-Sale Terms and Conditions effectively removes any ability by consumers to obtain relief against SquareTrade. At the same time, the Post-Sale Terms and Conditions purports to have obtained a waiver by the consumer to pursue the matter in courts where consumers have statutory and common law rights to recover costs. But no such waiver existed in any pre-sale document or disclosure, rendering *impossible* such assent to this waiver and forfeiture.

45. SquareTrade continues to provide its customers with a Post-Sale Terms and Conditions purporting that they have waived their class action and common law and statutory rights in courts, and requires customers to pursue any claims through mediation and arbitration. This is despite the fact that such Terms and Conditions were fraudulently imposed *after* the purchase of the Protection Plan, and no pre-sale documentation contains waivers of any class and individual rights to access the courts.

D. SquareTrade Deceptively Sells Protection Plans on Amazon.com to Cover Products Not Purchased On Amazon.com

46. Unknown to consumers who purchase Protection Plans on Amazon, such Protection Plans are effective only if the underlying electronic item or appliance was purchased on Amazon.com. An inconspicuous disclosure of this critical eligibility requirement is made approximately six pages down on SquareTrade's Amazon storefront, below unrelated items and advertisements.

47. SquareTrade knowingly and deceptively sells Protection Plans for items not purchased on Amazon.com and therefore, not eligible for coverage, *despite knowing that the product is not eligible for coverage*. The scheme is as simple as it is profitable.

48. In SquareTrade's first email to the consumer (who purchased from a source other than Amazon.com), SquareTrade tells the consumer to upload a copy of the receipt. If the consumer never makes a claim under her plan, SquareTrade keeps the premiums and retains the policy in effect. If the consumer makes a claim that requires SquareTrade to honor the policy, SquareTrade informs the customer that Protection Plan is void because the underlying product was not purchased through Amazon.com.

49. SquareTrade has continued with this scheme despite a long litany of complaints by consumers, going back to at least 2014, including sincere pleas to properly inform potential purchasers of the Amazon-purchased-only rule so that future customers are not deceived.

1. SquareTrade Deceptively Sells Void Policies

50. Pursuant to a carefully crafted course of deceptive conduct, SquareTrade purports to offer, unqualified, “Coverage for product breakdowns and malfunctions” for its line of Protection Plans. The customer is led to believe that any one of thousands of electronic products within the defined product price range is eligible for a Protection Plan.

51. The Amazon.com product page for SquareTrade’s Protection Plans, on which the consumer executes her transaction, does not reference, link to, or otherwise create awareness of the Amazon-purchased-only requirement.

52. An Amazon.com-purchased-only disclosure appears several pages down on the digital advertisement and after unrelated advertisements. Such placement of a material limitation is deceptive per se under the Federal Trade Commission’s Online Advertising Disclosure Guidelines (p.9) for clear and conspicuous disclosure:

If scrolling is necessary to view a disclosure, then, ideally, the disclosure should be unavoidable — consumers should not be able to proceed further with a transaction, *e.g.*, click forward, without scrolling through the disclosure. Making a disclosure unavoidable increases the likelihood that consumers will see it.

<https://www.ftc.gov/sites/default/files/attachments/press-releases/ftc-staff-revises-online-advertising-disclosure-guidelines/130312dotcomdisclosures.pdf> Contrary to FTC guidance, the purchase of the Protection Plan proceeds to conclusion with approximately zero likelihood that the consumer will encounter the Amazon-purchased-only requirement.

53. When a customer purchases a Protection Plan for a non-Amazon.com product, SquareTrade sets up the policy and keeps the premium. Only after a consumer makes a claim does SquareTrade inform the consumer that the Protection Plan is void – leaving the consumer without coverage, and unable to obtain other coverage for a now-old product.

54. However, SquareTrade retains the premiums from consumers who do not make claims and who are unaware that their Protection Plan is void.

55. Thus, SquareTrade's conduct is deceptive at two levels: First, SquareTrade deceptively sells Protection Plans by not adequately informing consumers that coverage for products not purchased on Amazon.com is not available. Second, SquareTrade sells these Protection Plans despite contemporaneous awareness that the Protection Plans are void.

56. SquareTrade can easily and immediately identify when it sold a fake policy because it usually receives information about the covered Amazon.com product, but does not receive such information when it sells a fake policy. Indeed, in the case of a Protection Plan that is purchased simultaneously with a covered product through Amazon.com, SquareTrade immediately receives information from Amazon.com about the details of the transaction, including the purchaser's name, email address and transactional details including, the identity of the covered product.

57. However, when a consumer purchases a Protection Plan on a stand-alone basis for a product not purchased on Amazon.com, SquareTrade would not receive information from Amazon.com for the underlying transaction. Consequently, SquareTrade typically knows whether a new Protection Plan is likely intended to cover an Amazon.com-purchased product or, conversely, a non-Amazon purchased covered product . . . *prior to its first contact with the Protection Plan purchaser.*

58. Moreover, SquareTrade requests of all Protection Plan purchasers that they immediately upload a copy of the product sales receipt, containing the name of the covered product seller, *e.g.*, Staples, Amazon.com, *etc.* Consequently, SquareTrade is at all relevant times keenly aware of its Amazon customers' eligibility or ineligibility for Protection Plan coverage. But even if a customer is *ineligible* for Protection Plan coverage, SquareTrade accepts the premium, misleads the consumer into believing she has coverage, attempts to resolve customer claims through manufacturer warranties or otherwise at no cost to SquareTrade, and voids the Protection Plan only if it is called upon to honor its warranty commitment.

2. SquareTrade Continues With Its Deceptive Practice Despite Long-Running Complaints by Consumers that they were Deceptively Sold Void Policies

59. A recurring theme of consumer reviews of SquareTrade's Protections Plans is a complaint by consumers that they were deceptively sold void policies for coverage of products not purchased through Amazon.com.

60. Below is a sampling of such consumer complaints over a period of months and years, with some editing for readability (the full text and content is available at the link provided).

61. The following is a review and interaction with SquareTrade during March and April of 2016 (available at https://www.amazon.com/gp/review/R2Q6DUMSCKOLU9?ref_=glimp_1rv_cl).

9 of 9 people found the following review helpful

★☆☆☆☆ **Don't buy through Amazon if it's not covering an Amazon product!**, March 15, 2016

By

[Shannon Murphey](#)

Verified Purchase([What's this?](#))

This review is from: SquareTrade RD-PH0699N2A 2-Year Smartphone Accident

Protection Plan (Wireless Phone Accessory)

Do not buy this product if you didn't buy the item to be covered through Amazon. I blame Amazon for not making this more clear on their page, and I blame square trade for accepting my receipt and my money, and never telling me that the warranty was actually void and not covering anything. I have an iPhone 6 that I thought I had protection on (and I need to be replaced), and a year and a half later, I find out I don't. So disappointed.

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Was this review helpful to you?

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Showing 1-3 of 3 posts in this discussion

Initial post: Mar 17, 2016 2:52:28 PM PDT

[SquareTrade Inc.](#) says:

Hi Shannon,

We're so sorry for the experience you had while trying to make a claim with us. We have reviewed your account and someone will be reaching out to you within the next 24-48 hours.

-SquareTrade

[Reply to this post](#)

[Permalink](#) | [Report abuse](#)

Do you think this post adds to the discussion?

Posted on Mar 26, 2016 10:05:14 AM PDT

[Joshua D. Meeker](#) says:

I has the exact same thing happen to me. Found out today that they will not offer my claim because I bought the phone through Amazon and the warranty through the Squaretrade website. Buyer beware!

[Reply to this post](#)

[Permalink](#) | [Report abuse](#)

Do you think this post adds to the discussion?

Posted on Apr 29, 2016 10:09:20 AM PDT

[Engineer of Things](#) says:

This just happened to me also. Really not happy!

62. The following is a review in August of 2016 (available at

https://www.amazon.com/gp/review/R34YLM5NGO9VU?ref_=glimp_1rv_cl).

4 of 5 people found the following review helpful

★★★★★ **Covers items purchased from Amazon only.**, August 29, 2016

By

[Mysticats](#)

Verified Purchase([What's this?](#))

This review is from: SquareTrade RD-PH0699N2A 2-Year Smartphone Accident Protection Plan (Wireless Phone Accessory)

Make sure you scroll down to the very bottom and read the fine print. Your item must be purchased through Amazon for it to be covered. They will accept your receipt from another company (T-Mobile in our case), and collect the money, and than point to that bottom print when they decline your claim. I own my part in not reading everything but to accept the receipt and not point out that the policy is not valid for the submitted item is not good practice in my opinion.

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Was this review helpful to you?

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63. The following is a review in May of 2016 (available at

https://www.amazon.com/gp/review/R107RG5G61AMDG?ref_=glimp_1rv_cl).

3 of 5 people found the following review helpful

★★★★★ **FIne Print**, May 2, 2016

By

[Ryerson](#)

Verified Purchase([What's this?](#))

This review is from: SquareTrade 2-Year Electronics Accident Protection Plan (\$50-75) (Electronics)

This plan as good as it sounds may as well be crap. The note that it is only able to used on "Amazon purchased items" needs to be moved to the top of the page instead of BURIED in all of the garbage in the middle of page.

So as I did not purchase the tablet from Amazon I am stuck cancelling this plan, and as it has been over 30 days I am figuring that I will get a refund of about \$3.00.

Moral of story....make sure you read ALL of the fine print to make sure that you are getting what you really need instead of garbage from major retailers like AMAZON and SQUARE TRADE.

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64. The following is a review in December of 2016 (available at https://www.amazon.com/gp/review/R2HYI2INMBV7R?ref_=glimp_1rv_cl).

0 of 1 people found the following review helpful

★★★★★ **Be mindful that these Amazon SqTrade Plans ONLY work if TV was purchased on Amazon.com**, December 5, 2016

By

[That one guy](#)

Verified Purchase([What's this?](#))

This review is from: SquareTrade 5-Year TV Protection Plan (\$1250-\$1500) (Electronics)

Its a good deal for the plan, IF you bought your TV @ Amazon.

My concerns:

- it's buried in the fine print.
- when I received the Square Trade contract info, they set up my plan and everything and accepted my receipt from other retailer, but when I called, they (SqT) said i would NOT be covered.
- Seems shady that they are quick/willing to take my money and NOT tell me that I'm not actually covered.

I'm normally happy with Sq Trade and would use again...but don't like that they took my money, and accepted my Non-Amazon purchase receipt, but then told me it wasn't covered. THEN they had the gall to ask me if I wanted to cancel it. OF COURSE i want to cancel the plan if they're not actually going to cover it!!!

Help other customers find the most helpful reviews

Was this review helpful to you?

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65. The following is a review and interaction with SquareTrade in December of 2014 (available at https://www.amazon.com/gp/review/R2O0PED1VSQDIV?ref_=glimp_1rv_cl).

The exchange below shows that SquareTrade has been aware of this issue for at least two years.

1 of 1 people found the following review helpful

★☆☆☆☆ **Read The Product Page VERY CAREFULLY if you didn't purchase your item off of Amazon.**, December 1, 2014

By

[TBlazer07](#)

Verified Purchase([What's this?](#))

This review is from: SquareTrade 4-Year TV Protection Plan (\$900-\$1000) (Electronics)

First let me say that Squaretrade is a great company to deal with when you need service however Be VERY CAREFUL here on Amazon.Com.

READ ALL THE FINE BURIED PRINT. Only mentioned as an after thought in their listing under the line:

Things to know (way down at the bottom) is: "SquareTrade Protection Plans are only valid for new products purchased at Amazon within the last 30 days."

You can read ALL the drivel that is posted all over their product page but that ONE LITTLE LINE is the "catch 22." These warranties are only good for items purchased off of Amazon. That should be CLEARLY AND IN LARGE PRINT posted at the top of each warranty listing because it is quite obviously "under-reported." Intentionally? Who knows. But without a doubt it should be made MUCH CLEARER on the top of the page in the MAIN HEADLINE.

After buying a warranty for a TV purchased elsewhere I happened to call them and was also told ONLY FOR ITEMS PURCHASED OFF AMAZON. They told me they were "going to make a one time exception for my warranty which was great but 4 years down the road should I need the service what is to stop them from telling me "SORRY YOU ARE S.O.L." I did receive an email confirming this "one time exception" but I am still feeling a bit uneasy and concerned. AGAIN, this is no reflection on Squaretrade warranty service itself, they are excellent 5 STAR service company however the way the listings are posted on Amazon is VERY MISLEADING and needs to be made much clearer. I'm sure i am not the only one who purchased a warranty thinking it could apply to any purchase (Costco ST warranty is good on items purchased from other stores). My bad for not reading every single word on the overloaded page carefully but they really do need to make it more obvious.

So:

Squaretrade as a SERVICE COMPANY: Five Stars

Squaretrade selling on Amazon: 2 Stars for very unclear product description.

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Tracked by 1 customer

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Showing 1-1 of 1 posts in this discussion

Initial post: Dec 2, 2014 5:40:46 PM PST

[SquareTrade Inc.](#) says:
Hey TBlazer07,

Thanks for your feedback, we really appreciate it. I'll be sure to pass along your feedback to our team. In the meantime, feel free to reach out to me at tiffanyhelps(at)squaretrade.com with any questions at all.

Regards,
Tiffany U.,
SquareTrade

66. The above is merely a sampling of consumer complaints going back to 2014. The fraud is then compounded when these consumers are provided false Post-Sale Terms and Conditions limiting their individual and class remedies and their access to the courts.

67. Finally, these complaints are only from consumers that became aware of the deception. Consumers that will not have claims will never know that they paid for a worthless, illusory policy.

PLAINTIFF STARKE'S FACTUAL ALLEGATIONS

68. Plaintiff Starke is an individual that has over the years purchased several Protection Plans issued by SquareTrade.

69. On December 27, 2015, Plaintiff Starke ordered a CD Player from Staples (the "CD Player"), for \$61.83, with an expected delivery date of January 7, 2016.

70. Upon receipt of the CD Player, Plaintiff Starke shopped for a SquareTrade Protection Plan on Amazon.com, and encountered the SquareTrade 2-Year Electronics

Protection Plan (the “2-Year Electronics Protection Plan”), for \$4.34 plus \$.39 tax, that was in sum and substance as follows:

SquareTrade 2-Year Electronics Protection Plan (\$50-75)

by [SquareTrade](#)

★★★★☆ 20 customer reviews | 9 answered questions

Price: **\$4.34 & FREE Shipping**

In stock.

Get it as soon as Dec. 8 - 13 when you choose **Standard Shipping** at checkout.

Ships from and sold by [SquareTrade](#).

- Coverage for product breakdowns and malfunctions
- 24/7 customer support
- Free shipping on all repairs with no deductibles or hidden fees
- Fully transferable with gifts. Cancel anytime, full refund in the first 30 days
- If you purchase this service plan and eligible product for this service plan, you acknowledge that Amazon may send the service plan seller relevant product and price information for the purpose of administering the plan

New (1) from \$4.34 & FREE shipping.

● **Please note:** Your Service Contract will be delivered via email and not mailed to you. It will come from SquareTrade Warranty Services (warrantysupport@squaretrade.com) within 24 hours of purchase. If you don't receive it, please contact 1-877-WARRANTY.

Share    

Qty: 1 

\$4.34 + Free Shipping
In stock. Sold by **SquareTrade**

 **Add to Cart**

[Turn on 1-Click ordering for this browser](#)

Ship to:
MIAMIBEACH, FL 33109 ▼

Add to List

Have one to sell?

[Sell on Amazon](#)

71. Prior to the sale, SquareTrade did not make the Terms and Conditions (or the fact they existed) available to Mr. Starke in a clear and conspicuous manner.

72. Upon information and belief, the Pre-Sale Terms and Conditions were at most buried in a non-descript section titled “Technical Specification,” several screens below the purchase section of the page and below advertisements for unrelated products. Mr. Starke never read the Technical Specification.

73. Plaintiff Starke was not made aware and did not know that the 2-Year Electronics Protection Plan did not cover items that were not purchased through Amazon.com.

74. On January 5, 2016, Plaintiff Starke purchased the 2-Year Electronics Protection Plan. Plaintiff Starke immediately received a confirmation email from Amazon.com. The

confirmation email by Amazon.com informed Plaintiff Starke that “Your protection plan service agreement will be sent via a separate e-mail by your seller.”

75. Indeed, on the same day, SquareTrade sent an email to Plaintiff Starke confirming the purchase of the 2-Year Electronics Protection Plan. The email asked Plaintiff Starke to submit his receipt to SquareTrade.

76. The email also provided a link to the Terms and Conditions (Exhibit 2) (http://www.squaretrade.com/merchant/contracts/2014_1_1_STC_Standard.pdf).

77. The Post-Sale Terms and Conditions issued by SquareTrade to Plaintiff Starke was different and more restrictive than the Pre-Sale Terms and Condition.

78. As directed by SquareTrade, Plaintiff Starke immediately sent a copy of his receipt of CD Player. The receipt clearly stated that the item was purchased at Staples.

79. On January 7, 2016, SquareTrade emailed Plaintiff Starke confirmation that it received the receipt. In the email, SquareTrade stated: “Your receipt has been successfully submitted! Thanks again for being such an awesome customer.”

80. In October 2016, the CD Player required repair or replacement, and Plaintiff Starke made a claim for coverage under the 2-Year Electronics Protection Plan. At first, SquareTrade directed Plaintiff Starke to the manufacturer for warranty assistance.

81. Plaintiff Starke informed SquareTrade that there was no coverage by the manufacturer and that he expected SquareTrade to honor the claim. SquareTrade denied Plaintiff’s claim, whereupon Plaintiff sought review by a supervisor.

82. SquareTrade’s supervisor then informed Plaintiff Starke in writing that since the CD Player was not purchased on Amazon.com, there was no coverage and that the Protection Plan would be canceled and the premium would be refunded.

83. SquareTrade, however, never refunded the purchase price of the 2-Year Electronics Protection Plan.

CLASS ACTION ALLEGATIONS

84. Plaintiff brings this action on behalf of himself and all other persons similarly situated, pursuant to Rule 23 of the Federal Rules of Civil Procedure.

85. The Class and Sub-Class (collectively “Classes”) that Plaintiff seeks to represent are defined as follows:

New York Amazon Plan Purchaser Class (Class I):

All New York residents who purchased a SquareTrade Protection Plan on Amazon.com within three (3) years of the commencement hereof;

New York Non-Amazon Product Purchaser Sub-Class (Sub-Class I):

All New York residents who purchased a SquareTrade Protection Plan on Amazon.com within four (4) years of the commencement hereof, as to an underlying product not purchased on Amazon.com.

National Magnuson-Moss Warranty Class (Class II)

All residents of the United States who purchased a SquareTrade Protection Plan on Amazon.com within the four (4) years of the commencement hereof.

National Unjust Enrichment Class (Class III):

All residents of the United States who purchased a SquareTrade Protection Plan on Amazon.com within the period of limitations provided in their respective states for claims in unjust enrichment.

86. Excluded from the Classes are (a) Defendant, including any entity in which Defendant has a controlling interest, and its representatives, officers, directors, employees, assigns and successors; and (b) the Judge to whom this case is assigned.

87. **Numerosity/Impracticability of Joinder:** The members of the Classes are so numerous that joinder of all members would be impracticable. The proposed Classes include, at

a minimum, thousands of members. The precise number of Class members can be ascertained by reviewing documents in Defendant's possession, custody and control or otherwise obtained through reasonable means.

88. **Commonality and Predominance**: There are common questions of law and fact which predominate over any questions affecting only individual members of the Classes. These common legal and factual questions, include, but are not limited to the following:

- a. whether SquareTrade engaged in a pattern of fraudulent, deceptive and misleading conduct targeting the public through the marketing, advertising, promotion and/or sale of Protection Plans;
- b. whether SquareTrade's acts and omissions violated New York General Business Law, Deceptive Acts and Practices, N.Y. Gen. Bus. Law §§ 349-50;
- c. whether SquareTrade made material misrepresentations of fact or omitted material facts to Plaintiff and the Classes regarding the marketing, promotion, advertising and sale of the Protection Plans, which material misrepresentations or omissions operated as fraud and deceit upon Plaintiff and the Classes;
- d. whether SquareTrade's false and misleading statements of fact and concealment of material facts regarding the Protection Plans were intended to deceive the public;
- e. whether SquareTrade's acts and omissions deceived Plaintiff and the Classes;

- f. whether, as a result of SquareTrade's misconduct, Plaintiff and the Classes are entitled to equitable relief and other relief, and, if so, the nature of such relief;
- g. whether SquareTrade deceives consumers by not clearly and conspicuously disclosing that Protection Plans do not cover (i) breakdowns and malfunctions covered by a manufacturer's warranty, or (ii) breakdowns and malfunctions denied coverage by a manufacturer under its warranty;
- h. whether Plaintiff and the members of the Classes have sustained ascertainable loss and damages as a result of SquareTrade's acts and omissions, and the proper measure thereof; and
- i. whether, as a result of SquareTrade's misconduct, Plaintiff and the Classes are entitled to statutory damages,

89. **Typicality**: Plaintiff's claims are typical of the claims of the members of the Classes he seeks to represent. Plaintiff and all Class members have been injured by the same wrongful practices in which Defendant has engaged. Plaintiff's claims arise from the same practices and course of conduct that give rise to the claims of Class members, and are based on the same legal theories.

90. **Adequacy**: Plaintiff is a representative who will fully and adequately assert and protect the interests of the Classes, and has retained Class counsel who are experienced and qualified in prosecuting class actions. Neither Plaintiff nor his attorneys have any interests which are contrary to or conflicting with the Classes.

91. **Superiority:** A class action is superior to all other available methods for the fair and efficient adjudication of this lawsuit, because individual litigation of the claims of all Class members is economically unfeasible and procedurally impracticable. While the aggregate damages sustained by the Classes are likely in the millions of dollars, the individual damages incurred by each Class member resulting from Defendant's wrongful conduct are too small to warrant the expense of individual suits. The likelihood of individual Class members prosecuting their own separate claims is remote, and, even if every Class member could afford individual litigation, the court system would be unduly burdened by individual litigation of such cases. Individual members of the Classes do not have a significant interest in individually controlling the prosecution of separate actions, and individualized litigation would also present the potential for varying, inconsistent, or contradictory judgments and would magnify the delay and expense to all of the parties and to the court system because of multiple trials of the same factual and legal issues. Plaintiff knows of no difficulty to be encountered in the management of this action that would preclude its maintenance as a class action. In addition, SquareTrade has acted or refused to act on grounds generally applicable to the Classes and, as such, final injunctive relief or corresponding declaratory relief with regard to the members of the Classes as a whole is appropriate.

FIRST COUNT
VIOLATION OF NEW YORK GENERAL BUSINESS LAW
(Deceptive Acts and Practices, N.Y. Gen. Bus. Law §§ 349-350
on behalf of Plaintiff and Class I and Sub-Class I)

92. Plaintiff incorporates the allegations set forth above as if fully set forth herein.

93. SquareTrade's business acts and practices and/or omissions alleged herein constitute deceptive acts or practices under the New York General Business Law, Deceptive Acts and Practices, N.Y. Gen. Bus. Law §§ 349-50 ("NYGBL"), which were enacted to protect the

consuming public from those who engage in unconscionable, deceptive or unfair acts or practices in the conduct of any business, trade or commerce.

94. The practices of SquareTrade, described throughout this Complaint, were specifically directed to consumers and violate the NYGBL for, inter alia, one or more of the following reasons:

- a. SquareTrade engaged in deceptive, unfair and unconscionable commercial practices in failing to reveal material facts and information about the Protection Plans, which did, or tended to, mislead Plaintiff and the Classes about facts that could not reasonably be known by them;
- b. SquareTrade failed to reveal facts that were material to the transactions in light of representations of fact made in a positive manner;
- c. SquareTrade caused Plaintiff and the Classes to suffer a probability of confusion and a misunderstanding of legal rights, obligations and/or remedies by and through its conduct;
- d. SquareTrade failed to reveal material facts to Plaintiff and Classes with the intent that Plaintiff and the Class members rely upon the omission;
- e. SquareTrade made material representations and statements of fact to Plaintiff and the Classes that resulted in Plaintiff and the Class members reasonably believing the represented or suggested state of affairs to be other than what they actually were;
- f. SquareTrade intended that Plaintiff and the other members of the Classes rely on its misrepresentations and omissions, so that Plaintiff and other Class members would purchase the Protection Plans; and

g. Under all of the circumstances, SquareTrade's conduct in employing these unfair and deceptive trade practices was malicious, willful, wanton and outrageous such as to shock the conscience of the community and warrant the imposition of punitive damages.

95. SquareTrade's actions impact the public interest because Plaintiff and members of the Classes were injured in exactly the same way as thousands of others purchasing the Product as a result of and pursuant to SquareTrade's generalized course of deception.

96. By committing the acts alleged in this Complaint, SquareTrade has misled Plaintiff and the Classes into purchasing the Protection Plans, in part or in whole, due to an erroneous belief that the Protection Plans had few restrictions and limitations, and were available for products purchased elsewhere from Amazon.com.. These are deceptive business practices that violate NYGBL § 349. The coordinate advertising violates NYGBL § 350.

97. SquareTrade's conduct misled Plaintiff and members of the Classes, and is likely in the future to mislead reasonable consumers acting reasonably under the circumstances. Had Plaintiff and other members of the Classes known of the true facts about the Protection Plans, many would not have purchased the Protection Plans.

98. The foregoing acts, omissions and practices set forth in connection with Defendants' violations of NYGBL §§ 349 and 350 proximately caused Plaintiff and other members of the Classes to suffer actual damages in the form of, *inter alia*, monies spent to purchase the Protection Plans and loss of investment in underlying products which suffered "malfunctions, accidental damage and life's frequent mishaps.", Class members are entitled to recover such damages, together with equitable and declaratory relief, appropriate damages including punitive damages, attorneys' fees and costs of suit.

SECOND COUNT
VIOLATION OF THE MAGNUSON-MOSS WARRANTY ACT
(15 U.S.C. § 2301 *et seq.*, on behalf of Plaintiff and Class II)

99. Plaintiff incorporates the allegations set forth above as if fully set forth herein.

100. The MMWA, 15 U.S.C. § 2301 *et seq.*, creates a cause of action for consumers damaged by “the failure of a supplier, warrantor, or service contractor to comply with any obligation under this chapter, or under a written warranty, implied warranty, or service contract.” 15 U.S.C. § 2310(d).

101. The MMWA required clear and conspicuous disclosures of the Terms and Conditions of the Protections Plans prior to the purchase of the Protection Plans.

102. SquareTrade failed to comply with the requirements of the MMWA by failing to clearly and conspicuously disclose the Terms and Conditions of the Protection Plans, and by changing the Terms and Conditions of the Protection Plans.

103. Specifically, SquareTrade violated the “full, clear and conspicuous disclosure of terms and conditions” standard applicable to the Protection Plans.

104. All class members were injured by reason of SquareTrade’s subject disclosure violations, in that their Protection Plans were worth ascertainably less as enforced than as disclosed prior to and at the time of sale.

105. Plaintiff and other members of the Class were damaged by Defendant SquareTrade’s violations of its obligations under the MMWA.

106. As a direct and proximate cause of Defendant SquareTrade’s violations of its obligations under the MMWA, Plaintiff and other Class members have suffered actual economic damages, and are threatened with irreparable harm.

107. Class members are entitled to recover such damages, together with equitable and declaratory relief, appropriate damages including statutory and punitive damages, attorneys' fees and costs of suit.

THIRD COUNT
UNJUST ENRICHMENT
(on behalf of Plaintiff and Class III)

108. Plaintiff incorporates the allegations set forth above as if fully set forth herein.

109. It would be inequitable for SquareTrade to be allowed to retain the benefits conferred on it by Plaintiff and Class members, traceable to its misrepresentations and false advertising.

110. Plaintiff and members of the Class are entitled to the establishment of a constructive trust upon the benefits to SquareTrade from the aforesaid unjust enrichment and inequitable conduct.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of himself and the Classes, prays for judgment against Defendant granting the following relief:

- a.** An order certifying this case as a class action and appointing Plaintiff as Class representative and Plaintiff's counsel to represent the Classes;
- b.** Restitution and disgorgement of all amounts obtained by SquareTrade as a result of its misconduct, together with interest thereon from the date of purchase, to the victims of such violations;
- c.** All recoverable compensatory and other actual damages sustained by Plaintiff (\$4.73 for protection Plan and \$61.83 for CD Player) and the Classes;

d. Actual and/or statutory damages for injuries suffered by Plaintiff and the Classes and in the maximum amount permitted by applicable law;

e. An order enjoining SquareTrade from enforcing any and all terms and conditions requiring mediation and arbitration that were not provided to consumers in the pre-sale documentation, and staying any and all such proceedings until corrective notice is provided to the claimant.

f. An order (1) requiring SquareTrade to immediately cease its wrongful conduct as set forth above; (2) enjoining SquareTrade from continuing to misrepresent and conceal material information and conduct business via the unlawful, unfair and deceptive business acts and practices complained of herein; (3) ordering SquareTrade to engage in a corrective advertising campaign; and (4) requiring SquareTrade to pay to Plaintiff and all members of the Classes the amounts paid for the Product;

g. Statutory pre-judgment and post-judgment interest on any amounts;

h. Payment of reasonable attorneys' fees and costs; and

i. Such other relief as the Court may deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiff, and all others similarly situated, hereby demand a trial by jury herein.

Dated: December 21, 2016

LAW OFFICES OF MARK SCHLACHET

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Exhibit 1



TERMS & CONDITIONS

Congratulations on purchasing this Protection Plan. Please read these terms and conditions carefully so that you fully understand your coverage under this Protection Plan.

Please also review the Order Summary or purchase receipt provided to you at the time you purchased this Protection Plan. The Order Summary defines the Covered Product, Maximum Coverage Amount and the Coverage Term of this Protection Plan.

1. DEFINITIONS:

"We", "Us" and "Our" shall mean the obligor of this Protection Plan, ST Product Care Corp, 360 Third Street, 6th Floor, San Francisco, CA 94107, except as follows: In **Arizona, New Mexico, Virginia, and Wyoming** **"We", "Us", and "Our"** shall mean Starr Protection Solutions, LLC, 399 Park Avenue, 8th Floor, New York, NY 10022. In **Florida and Oklahoma** **"We", "Us" and "Our"** shall mean Starr Indemnity & Liability Company, 399 Park Avenue, 8th Floor, New York, NY 10022. In **Washington**, **"We", "Us, and "Our"** shall mean Starr Technical Risks Agency, LLC, 399 Park Avenue, 8th Floor, New York, NY 10022. You may reach **Us** at 1-877 WARRANTY (1-877-927-7268).

Administrator shall mean SquareTrade, Inc. However, in **California** the Administrator shall mean ST Product Care Corp. The aforementioned Administrators are located at 360 Third Street, 6th Floor, San Francisco, CA 94107 with a telephone number: 1-877 WARRANTY (1-877-927-7268).

The following terms are used in the Order Summary

Protection Plan Price: The price you paid for this Protection Plan.

Coverage Start Date: This is the date when coverage starts under this Protection Plan.

Waiting Period: This is the amount of time, varying from zero (0) to thirty (30) days, between the Protection Plan purchase date and the Coverage Start Date, during which if any issues occur, they are considered pre-existing conditions and render the item ineligible for coverage under this Protection Plan. A Waiting Period applies to Protection Plans purchased for refurbished items and protection Plans purchased subsequent to the purchase of Your Covered Product. Any applicable Waiting Period does not affect Your coverage under any manufacturer's warranty. If during the Waiting Period a pre-existing condition renders the item ineligible for coverage We will cancel Your protection Plan and provide You with a full refund of the Protection Plan Price.

Coverage Term or Term: This is the years of coverage, varying from one (1) to five (5) year(s), you receive under this Protection Plan, starting on the Coverage Start Date which begins after any Waiting Period. The Protection Plan is inclusive of any US manufacturer's warranty that may exist during the Coverage Term. It does not replace the manufacturer's warranty, but provides certain additional benefits during the term of the manufacturer's warranty. The Term of this Protection Plan is extended for the duration of any time that the item is being repaired under this Protection Plan.

Covered Product or Your Product: The product or type of product covered by this Protection Plan.

Coverage Amount: The purchase price of the Covered Product.

Coverage Type: This defines the level of coverage You purchased, such as whether Your Protection Plan includes the optional Accidental Damage from Handling (ADH) coverage.

Deductible: The applicable deductible, if any, for claims.

2. COVERAGES AND TERMS

This Protection Plan will cover a mechanical or electrical failure of the Covered Product(s) in subsections A, B and C below during normal usage for the Term of this Protection Plan. This Protection Plan is inclusive of any manufacturer's warranty that may exist during the Coverage Term. It does not replace the manufacturer's warranty, but provides certain additional benefits during the term of the manufacturer's warranty. Replacement parts will be new, rebuilt or non-original manufacturer's parts that perform to the factory specifications of the product at our sole option.

This Protection Plan does not cover repair or replacement of Your Product for any of the causes or provide coverage for any losses set forth in Section 9 of these Terms and Conditions, entitled **"WHAT IS NOT COVERED."** Specific details about Your coverage under this Protection Plan are provided in the Order Summary.

A. CELL PHONES AND TABLETS

i. This Protection Plan provides coverage for parts and labor costs to repair or replace Your Product where the problem is the result of a failure caused by:

1. Normal wear and tear;
2. Accidental damage from handling (ADH), such as damage from drops, spills and liquid damage associated with the handling and use of Your Product, if the coverage has been offered and purchased at the time of sale with your Protection Plan;
3. One (1) battery repair or replacement, when the original rechargeable battery is defective as determined by Us and at Our sole discretion. We may require you to return your original defective battery to Us to receive a replacement battery;
4. Damaged or defective buttons or connectivity ports located on Your Product;
5. Defective pixels when there are at least three (3) defective pixels throughout the entire display area;
6. Dust, internal overheating, internal humidity/condensation;
7. Defects in materials or workmanship;

ii. This Protection Plan also provides the following additional benefits:

1. Online assistance for hardware troubleshooting tips, visit: <http://www.squaretrade.com> and select the Support option; and
2. Power surge/fluctuation protection. Please see section 11 "POWER SURGE PROTECTION" for details.

iii. Specific details about your coverage under this Protection Plan are provided in the ORDER SUMMARY.

B. JEWELRY AND WATCH PLANS

i. **JEWELRY:** This Protection Plan provides coverage for parts and labor costs to repair the Jewelry where the problem is a result of a failure caused by defects in workmanship and/or materials, including those resulting from normal wear and tear such as: cracks, chips, scratches, dents, kinks, breaks, and thinning. You will be reimbursed for SquareTrade-authorized repairs to, or replacement of the Jewelry, at Our discretion, when required due to a problem which is not covered under any other warranty, service plan or insurance.

ii. **WATCHES:** This Protection Plan provides coverage for parts and labor costs to repair the Watch where the problem is the result of a failure caused by defects in workmanship and/or materials, including those resulting from normal wear and tear such as: watch band, case, clasp, crown, cracked crystal, inner movement and stem. For watch band failure, We may elect to replace either segments of the band, the complete band, or the watch, at Our discretion. You will be reimbursed for Square Trade-authorized repairs to or replacement of the Watch, at Our discretion, when required due to a problem which is not covered under any other warranty, service plan or insurance.

iii. Specific details about your coverage under this Protection Plan are provided in the ORDER SUMMARY.

C. ALL OTHER PRODUCTS:

i. This Protection Plan provides coverage for parts and labor costs to repair or replace Your Product where the problem is the result of a failure caused by:

1. Normal wear and tear;
2. Accidental damage from handling (ADH), such as damage from drops, spills and liquid damage associated with the handling and use of Your Product, if the coverage has been offered and purchased at the time of sale with your Protection Plan;
3. One (1) battery repair or replacement, when the original rechargeable battery is defective as determined by Us and at Our sole discretion, if the coverage has been offered and purchased at the time of sale with your Protection Plan.;
4. One (1) bulb replacement, replacement of a faulty bulb during the first three (3) years of the Term, if the coverage has been offered and purchased at the time of sale with your Protection Plan;
5. Dust, internal overheating, internal humidity/condensation;
6. Defects in materials or workmanship;
7. Power surge/fluctuation. Please see section 11 "POWER SURGE PROTECTION" for details.

ii. Specific details about your coverage under this Protection Plan are provided in the ORDER SUMMARY.

3. OPTIONAL COVERAGE:

A. ACCIDENTAL DAMAGE FROM HANDLING (ADH):

If you were offered and elected to include accidental damage from handling (ADH) as an integral part of your coverage, it augments Your Protection Plan by providing additional protection for damage from drops, spills and liquid damage associated with the handling and use of Your Product.

ADH does not provide protection against theft, loss, reckless, or abusive conduct associated with handling and use of the product, cosmetic damage and/or other damage that does not affect unit functionality, or damage caused during shipment between you and Our service providers.

B. BULB COVERAGE:

If you were offered and elected to include bulb coverage on your rear-projection or DLP Television, your Protection Plan shall also include additional coverage of the bulb in your television ("Bulb Coverage") for up to three (3) years from the start of the Coverage Term.

Bulb Coverage includes up to one (1) replacement of a faulty bulb during the first three (3) years of the Coverage Term. You will be responsible for installing the replacement bulb, which We will provide to you in most occurrences. If, at Our discretion, We do not provide you with a replacement bulb, We will reimburse you for the cost of the bulb. Bulb Coverage will terminate either at the end of three (3) years or when you have received a replacement bulb or reimbursement for the cost of a replacement bulb from Us, whichever occurs first. You may be required to return the defective bulb to Us.

C. BATTERY COVERAGE:

If you were offered and elected to include battery coverage on your mobile product, your Protection Plan shall also include additional coverage of the battery in Your Product for up to two (2) years from the start of the Coverage Term. Battery Coverage shall be in addition to the coverage described in the "Coverages and Terms" section of these terms and conditions. Battery coverage is only available for Covered Products that are new or newly manufacturer refurbished.

Battery Coverage includes up to one (1) battery repair or replacement, when the original rechargeable battery is defective as determined by Us and at Our sole discretion. We may require you to return your original defective battery to Us to receive a replacement battery.

4. WHAT TO DO IF A COVERED PRODUCT REQUIRES SERVICE:

File online at www.squaretrade.com or call Us toll-free at 1-877 WARRANTY (1-877-927-7268) and explain the problem. We will attempt to troubleshoot the problem you are experiencing. If We cannot resolve the problem, you will be directed to an authorized service center.

5. HOW WE WILL SERVICE YOUR ITEM:

Depending on the item and failure circumstances, We will either:

- A. Repair Your Product, or;
- B. Provide a cash settlement or a Gift Card reflecting the replacement cost of a new item of equal features and functionality up to the Coverage Amount, or;
- C. Provide a new or refurbished product of equal features and functionality.

6. PLACE OF SERVICE:

At Our discretion, large items will receive on-site service and We will arrange to repair or replace Your Product at your location during normal business hours. On-site service may occasionally necessitate the service provider to bring the unit back to their shop to complete repairs.

For shippable items, We will provide a free prepaid shipping label to our authorized service facility for repair, replacement or settlement. For fragile items like laptops, We may also provide you with a free prepaid shipping box to send your item to Us. You will be responsible for safe packaging and shipment. If the authorized service facility determines the item is in working condition or is not covered by your Protection Plan, We will return the item to you or dispose of it at your request.

7. LIMIT OF LIABILITY:

The total amount that We will pay for repairs or replacement made in connection with all claims that you make pursuant to this Protection Plan shall not exceed the Coverage Amount of Your Product. In the event that We make payments for repairs or replacements, which in the aggregate, are equal to the Coverage Amount, or provide a cash settlement reflecting the replacement cost of a new item of equal features and functionality, We will have no further obligations under this Protection Plan.

WE SHALL NOT BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, PROPERTY DAMAGE, LOST TIME, OR LOST DATA RESULTING FROM THE FAILURE OF ANY PRODUCT OR EQUIPMENT OR FROM DELAYS IN SERVICE OR THE INABILITY TO RENDER SERVICE.

8. YOUR RESPONSIBILITIES:

- A. Provide Us with a complete copy of proof of purchase. We can either store it for you or you can provide such proof of purchase at time of claim.
- B. Correctly select the right SquareTrade Protection Plan for your product based on condition, price or purchase location.
- C. Properly maintain, store and use your item according to the manufacturer instructions.

9. WHAT IS NOT COVERED:

- A. Any product fraudulently described or materially misrepresented by you;
- B. Maintenance, repair, or replacement necessitated by loss or damage resulting from any cause other than normal use and operation of the product in accordance with the manufacturer's specifications and owner's manual, including but not limited to, theft or loss, exposure to weather conditions, failure to properly clean, maintain or lubricate, operator negligence, misuse, abuse, improper electrical/power supply, improper equipment modifications, attachments or installation or assembly, vandalism, animal or insect infestation, battery leakage, or act of nature or any other peril originating from outside the product.
- C. Cosmetic damage to case or cabinetry or other non-operating parts or components which does not affect the functionality or the covered product.
- D. Television or personal computer monitor screen imperfections, including "burn-in" or burned CRT phosphor.
- E. Projector or rear projection TV bulbs unless that specific coverage has been offered and purchased at the time of sale with your Protection Plan.
- F. Damaged or defective LCD screens when the failure is caused by abuse or is otherwise excluded herein;
- G. All equipment intended for heavy commercial or industrial use such as industrial printers or IT equipment; riding mowers or backhoe type products;
- H. Accidental damage, cracked or damaged monitor, laptop or display screens, liquid damage, lost buttons or knobs etc., unless optional accidental damage from handling (ADH) coverage was offered and purchased at the time of sale with your Protection Plan;
- I. Conditions that were caused by you intentionally, or known by you prior to purchasing this Protection Plan;
- J. Consumer replaceable or consumable batteries unless that specific coverage has been offered and purchased at the time of sale with your Protection Plan;
- K. Consumer replaceable or consumable items such as but not limited to toner, ribbons, ink cartridges, drums, belts, printer heads, belts, blades, strings, trim etc.;
- L. Product(s) with removed or altered serial numbers;
- M. Manufacturer defects or equipment failure which is covered by manufacturer's warranty, manufacturer's recall, or factory bulletins (regardless of whether or not the manufacturer is doing business as an ongoing enterprise);
- N. Damage to computer hardware, software and data caused by, including, but not limited to, viruses, application programs, network drivers, source code, object code or proprietary data, or any support, configuration, installation or reinstallation of any software or data;
- O. Failures related to transportation damage, customer education, cleaning, preventive maintenance, "No Problem Found" diagnosis, non-intermittent issues that are not product failures;
- P. Jewelry or watches that are used or refurbished at the time of purchase;
- Q. Items sold in a private sale.

10. NO LEMON POLICY:

If Your Product has three service repairs completed for the same problem, which repairs are covered by this Protection Plan, and a fourth such repair for the same problem occurs, as determined by Us, within any twelve (12) month period, Your Product will be replaced with a comparable product or a cash settlement for replacement provided. This cost of the replacement will not exceed Your Product's original purchase price.

11. POWER SURGE PROTECTION:

This Protection Plan protects against the operational failure of a Covered Product resulting from a power surge while properly connected to a surge protector. You may be asked to provide your surge protector for examination.

12. FREE SHIPPING:

This Protection Plan covers all shipping charges to repair or service facilities during the Coverage Term, including shipping to the manufacturer if the manufacturer does not cover shipping charges to their facilities.

13. WORLDWIDE SERVICE:

The coverage provided in this Protection Plan also applies when you travel overseas. If Your Product needs repair overseas, you may file a claim online to obtain a claim authorization number. Once You have obtained Your claim authorization number, You will need to carry Your Product into an authorized service center and then submit to the Administrator a copy of the detailed service repair invoice that identifies Your Product, the claim authorization number, and include a thorough description of the repair made. This documentation should be faxed or emailed to the Administrator and the Administrator will reimburse you within 5 business days of receipt of all necessary paperwork, provided a covered repair was performed. Note: Worldwide service does not include shipping or on-site service.

14. TRANSFER OF PROTECTION PLAN:

This Protection Plan may be transferred to any person in the United States at no charge. Log in to www.squaretrade.com, or contact Us toll-free at 1-877 WARRANTY (1-877-927-7268) 24 hours a day, seven days a week.

15. CANCELLATION:

You may cancel this Protection Plan for any reason at any time. To cancel it, log in to www.squaretrade.com or contact Us toll-free at 1-877 WARRANTY (1-877-927-7268) 24 hours a day, seven days week. If you cancel this Protection Plan within the first thirty (30) days after purchase of this Protection Plan you will receive a 100% refund of the purchase price of the Protection Plan. If you cancel after the first thirty (30) days from purchase of this Protection Plan, you will receive a pro rata refund based on the time remaining on your Protection Plan. No fees or past claims shall be deducted from the refund and the refund will be sent to you within ten (10) business days from the cancellation request or else a ten percent (10%) penalty per month shall be applied to the refund.

We may cancel this Protection Plan at Our option on the basis of nonpayment, fraud, or material misrepresentation by you. If We cancel your Protection Plan, you will receive a pro rata refund. If this Protection Plan was inadvertently sold to you on a product which was not intended to be covered by this Protection Plan, We will cancel this Protection Plan and return the full purchase price of the Protection Plan to you. Written notice which includes the effective date of cancellation and reason for cancellation, will be mailed to you at least 30 days prior to termination. If We cancel this Protection Plan for nonpayment then We will provide notice at time of cancellation.

16. GUARANTEE:

This is not an insurance policy. Our obligations under this Protection Plan are guaranteed under a reimbursement insurance policy issued by Starr Indemnity & Liability Company. Starr Indemnity & Liability Company is located at 399 Park Avenue, 8th Floor, New York, NY 10022 and you may contact them toll-free at (855) 438-2390. If We fail to pay or provide service on a claim within sixty (60) days after proof of loss has been filed, You are entitled to make a claim directly against Starr Indemnity & Liability Company.

ENTIRE CONTRACT:

Unless amended by the State Specific Provisions, this Protection Plan sets forth the entire contract between the parties and no representation, promise or condition not contained herein shall modify these terms.

State Variations:

The following state variations shall apply if inconsistent with any other terms and conditions.

California: If you decide to cancel your Protection Plan for a product other than a home appliance or electronics item within sixty (60) days after the receipt of the Protection Plan you will be refunded the full price paid for the Protection Plan. If you decide to cancel your Protection Plan for this type of item after sixty (60) days after the receipt of the Protection Plan you will receive a pro-rated refund based on the time remaining on your Protection Plan. All Protection Plans for home appliance or home electronics are covered by the "Cancellation" section of the Protection Plan.

Connecticut: Resolution of Disputes: If you purchased this Protection Plan in Connecticut, you may pursue arbitration to settle disputes between you and the provider of this Protection Plan. You may mail your complaint to: State of Connecticut, Insurance Department, P.O. Box 816, Hartford, CT 06142-0816, Attn: Consumer Affairs. The written complaint must describe the dispute, identify the price of the product and cost of repair, and include a copy of this Protection Plan. You have the right to cancel this Protection Plan if you return the product or if the product is sold, lost, stolen, or destroyed. If We cancel this Protection Plan, written notice including effective date and reason for cancellation will be mailed to you electronically or by U.S. Mail at least 30 days prior to termination.

Florida: The rates charged to you for this Protection Plan are not subject to regulation by the Florida Office of Insurance Regulation. The Guarantee, in Section 16, does not apply to Protection Plans sold in Florida as this Protection Plan is directly issued by the insurer, Starr Indemnity & Liability Company, 399 Park Avenue, 8th Floor, New York, NY 10022.

Georgia: Cancellation will comply with Section 33-24-44 of the Georgia Code. Failure to refund in accordance with the aforementioned Section will make Us liable for penalty equal to 25% of refund and interest of 18% per annum until refund is paid, not to exceed 50% of refund. The waiting period will not exceed 30 days.

Nevada: This Protection Plan is not renewable. If We cancel this Protection Plan for nonpayment by You, then We will provide notice at least 15 days prior to the effective date of cancellation. We may cancel this Protection Plan at Our option on the basis of nonpayment, fraud, or material misrepresentation by you. Prior approval of service should be obtained as outlined in the "WHAT TO DO IF A COVERED PRODUCT REQUIRES SERVICE" or "WORLDWIDE SERVICE" sections of the Protection Plan.

Waiting Period: This is the amount of time from the Protection Plan Purchase Date during which if any issues occur, they are considered pre-existing conditions and render the item ineligible for coverage under this Protection Plan. To see the length of the Waiting Period, please refer to the ORDER SUMMARY at the top of the first page of this Protection Plan.

Oklahoma: This Protection Plan is not issued by the manufacturer or wholesale company marketing the product. This Protection Plan will not be honored by such manufacturer or wholesale company. The Oklahoma Service Agreement statutes do not apply to commercial use references in Protection Plan contracts. Coverage afforded under this Protection Plan is not guaranteed by the Oklahoma Insurance Guaranty Association. If you cancel after the first thirty (30) days from purchase of this Protection Plan, you will receive a one hundred percent (100%) unearned pro rata refund based on the time remaining of your Protection Plan.

South Carolina: In the event of a dispute with the provider of this Protection Plan, you may contact the South Carolina Department of Insurance, Capitol Center, 1201 Main Street, Ste. 1000, Columbia, South Carolina 29201 or (800) 768-3467. This Protection Plan is not an insurance contract.

Texas: The administrator for this Protection Plan is SquareTrade, Inc. registration number 155.

Utah: Replacement parts will be new, rebuilt or non-original manufacturer's parts that perform to the factory specifications of the Covered Product at Our sole option. Coverage afforded under this Protection Plan is not guaranteed by the Property and Casualty Guaranty Association. This Protection Plan is subject to limited regulation by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department. Notice of cancellation for nonpayment of the purchase price of this Protection Plan will be in writing given at least ten (10) days prior to cancellation.

Wisconsin: THIS PROTECTION PLAN IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE. No claim will be denied solely because you failed to obtain preauthorization. This agreement, including optional ADH coverage, does not provide coverage for intentional damage.

Wyoming: Prior notice is not required if the reason for cancellation is nonpayment of the provider fee, a material misrepresentation by the Protection Plan holder to the provider or a substantial breach of duties by the Protection Plan holder relating to the Covered Product or its use.

Exhibit 2

PROTECTION PLAN
TERMS & CONDITIONS

Congratulations on purchasing this Protection Plan. Please read these Terms and Conditions carefully so that You fully understand Your coverage under this Protection Plan.

Please also review the Order Summary or purchase receipt provided to You at the time You purchased this Protection Plan. The Order Summary defines the Covered Product, Coverage Amount and the Coverage Term of this Protection Plan.

1. DEFINITIONS:

“We”, “Us” and “Our” shall mean the obligor of this Protection Plan, CE Care Plan Corp except as follows: In **California**, **“We”, “Us” and “Our”** shall mean SquareTrade, Inc.; in **Arizona, Oklahoma, and Wyoming**, **“We, “Us”, and “Our”** shall mean Complete Product Care Corp. The aforementioned are located at 360 3rd Street, 6th Floor, San Francisco, CA 94107. In **Florida**, **“We”, “Us” and “Our”** shall mean Starr Indemnity & Liability Company, 399 Park Avenue, 8th Floor, New York, NY 10022. In **Washington**, **“We, “Us, and “Our”** shall mean Starr Technical Risks Agency, Inc., 399 Park Avenue, 8th Floor, New York, NY 10022. You may reach **Us** at 1-877 WARRANTY (1-877-927-7268).

Administrator shall mean SquareTrade, Inc. located at 360 3rd Street, 6th Floor, San Francisco, CA 94107 with a telephone number: 1-877 WARRANTY (1-877-927-7268).

“You”, “Your” shall mean the individual or entity who purchased this Protection Plan or the individual or entity to whom this Protection Plan was properly transferred in accordance with these Terms and Conditions.

The following terms are used in the Order Summary

Protection Plan Price: The price You paid for this Protection Plan.

Coverage Start Date: This is the date when coverage starts under this Protection Plan.

Waiting Period: This is the amount of time, varying from zero (0) to thirty (30) days, between the Protection Plan purchase date and the Coverage Start Date, during which if any issues occur, they are considered pre-existing conditions and render the item ineligible for coverage under this Protection Plan. A Waiting Period applies to Protection Plans purchased for refurbished items and Protection Plans purchased subsequent to the purchase of Your Covered Product. Any applicable Waiting Period does not affect Your coverage under any manufacturer’s warranty. If during the Waiting Period a pre-existing condition renders the item ineligible for coverage We will cancel Your Protection Plan and provide You with a full refund of the Protection Plan Price.

Coverage Term or Term: This is the years of coverage, varying from one (1) to five (5) year(s), You receive under this Protection Plan, starting on the Coverage Start Date which begins after any Waiting Period. The Protection Plan is inclusive of any US manufacturer's warranty that may exist during the Coverage Term. It does not replace the manufacturer's warranty, but provides certain additional benefits during the term of the manufacturer's warranty. The Term of this Protection Plan is extended for the duration of any time that the item is being repaired under this Protection Plan.

Covered Product or Product: The product or type of product covered by this Protection Plan.

Coverage Amount: The purchase price of the Covered Product.

Coverage Type: This defines the level of coverage You purchased, such as whether Your Protection Plan includes Optional Coverage, such as Accidental Damage from Handling (ADH) coverage.

Deductible: The applicable deductible, if any, for claims.

2. **COVERAGES AND TERMS:** This Protection Plan will cover a mechanical or electrical failure of the Covered Product(s) in subsections A, B, C and D below during normal usage for the Term of this Protection Plan. This Protection Plan is inclusive of any manufacturer's warranty that may exist during the Coverage Term. It does not replace the manufacturer's warranty, but provides certain additional benefits during the term of the manufacturer's warranty. Replacement parts will be new, rebuilt or non-original manufacturer's parts that perform to the factory specifications of the product at Our sole option.

This Protection Plan does not cover repair or replacement of Your Product for any of the causes or provide coverage for any losses set forth below in Section 9, "**WHAT IS NOT COVERED.**" Specific details about Your coverage under this Protection Plan are provided in the Order Summary. For online assistance and hardware troubleshooting tips, visit www.squaretrade.com and select the Support option.

A. **CELL PHONES AND TABLETS:**

- i. This Protection Plan provides coverage for parts and labor costs to repair or replace Your Product where the problem is the result of a failure caused by:
 1. Normal wear and tear;
 2. Accidental damage from handling (ADH), such as damage from drops, spills and liquid damage associated with the handling and use of Your Product, if the coverage has been offered and purchased at the time of sale with your Protection Plan;
 3. One (1) battery repair or replacement, when the original rechargeable battery is defective as determined by Us and at Our sole discretion. We

may require You to return your original defective battery to Us to receive a replacement battery;

4. Damaged or defective buttons or connectivity ports located on Your Product;
5. For defective pixels We will match the manufacturer's warranty for the Term of Your Protection Plan. In the absence of a manufacturer's dead pixel policy, We will cover a failure of three (3) or more defective pixels within a one square inch area of the display;
6. Dust, internal overheating, internal humidity/condensation;
7. Defects in materials or workmanship;
8. Operational failure resulting from a power surge while properly connected to a surge protector. You may be asked to provide Your surge protector for examination.

B. JEWELRY AND WATCH PLANS:

- i. JEWELRY: This Protection Plan provides coverage for parts and labor costs to repair the Jewelry where the problem is a result of a failure caused by defects in workmanship and/or materials, including those resulting from normal wear and tear such as: cracks, chips, scratches, dents, kinks, breaks, and thinning. You will be reimbursed for SquareTrade-authorized repairs to, or replacement of the Jewelry, at Our discretion, when required due to a problem which is not covered under any other warranty, service plan or insurance.
- ii. WATCHES: This Protection Plan provides coverage for parts and labor costs to repair the Watch where the problem is the result of a failure caused by defects in workmanship and/or materials, including those resulting from normal wear and tear such as: watch band, case, clasp, crown, cracked crystal, inner movement and stem. For watch band failure, We may elect to replace either segments of the band, the complete band, or the watch, at Our discretion. You will be reimbursed for Square Trade-authorized repairs to or replacement of the Watch, at Our discretion, when required due to a problem which is not covered under any other warranty, service plan or insurance.

C. FURNITURE:

- i. This Protection Plan covers only products used primarily for personal, family or household purposes or in a small office or home office setting.
- ii. UPHOLSTERED WOOD AND METAL FURNITURE: This Protection Plan provides coverage for damage due to seam separation; broken hardware and pulls; seam separation of joints and welds; cracks; peeling of veneers; broken hinges, casters, slides, drawer pull/guides or swivels; damaged mechanical elements; scratches; chips; gouges; cracking, warping or peeling of finish due to normal use. The Protection Plan also covers breakage, chips and scratches to glass on tables, desks, wall units and cabinets, and breakage, chipping and/or loss of silvering to mirrors due to normal use or accidental damage.
- iii. FABRIC AND LEATHER COVERAGE: This Protection Plan provides coverage for damage due to separation or peeling of topcoat finish.

D. ALL OTHER PRODUCTS:

- i. This Protection Plan provides coverage for parts and labor costs to repair or replace Your Product where the problem is the result of a failure caused by:
 1. Normal wear and tear;
 2. Accidental damage from handling (ADH), such as damage from drops, spills and liquid damage associated with the handling and use of Your Product, if the coverage has been offered and purchased at the time of sale with your Protection Plan;
 3. One (1) battery repair or replacement, when the original rechargeable battery is defective as determined by Us and at Our sole discretion, if the coverage has been offered and purchased at the time of sale with your Protection Plan;
 4. One (1) bulb replacement, replacement of a faulty bulb during the first three (3) years of the Term, if the coverage has been offered and purchased at the time of sale with your Protection Plan;
 5. For defective pixels We will match the manufacturer's warranty for the Term of Your Protection Plan. In the absence of a manufacturer's dead pixel policy, We will cover:
 - i. Six (6) or more defective pixels for displays up to 17";
 - ii. Eight (8) or more defective pixels for displays greater than 17".
 6. Dust, internal overheating, internal humidity/condensation;
 7. Defects in materials or workmanship;
 8. Operational failure resulting from a power surge while properly connected to a surge protector. You may be asked to provide Your surge protector for examination.

3. OPTIONAL COVERAGES:

A. ACCIDENTAL DAMAGE FROM HANDLING (ADH):

If You were offered and elected to include accidental damage from handling (ADH) as an integral part of Your coverage, it augments Your Protection Plan by providing additional protection for damage from drops, spills and liquid damage associated with the handling and use of Your Product.

ADH does not provide protection against theft, loss, reckless, or abusive conduct associated with handling and use of the product, cosmetic damage and/or other damage that does not affect unit functionality, or damage caused during shipment between You and Our service providers.

B. BULB COVERAGE:

If You were offered and elected to include Bulb Coverage on Your rear-projection or DLP Television, Your Protection Plan shall also include up to one (1) replacement of a faulty bulb during the first three (3) years of the Coverage Term. You will be responsible for installing the

replacement bulb, which We will provide to You in most occurrences. If, at Our discretion, We do not provide You with a replacement bulb, We will reimburse You for the cost of the bulb. Bulb Coverage will terminate either at the end of three (3) years or when You have received a replacement bulb or reimbursement for the cost of a replacement bulb from Us, whichever occurs first. You may be required to return the defective bulb to Us.

C. BATTERY COVERAGE:

If You were offered and elected to include Battery Coverage on Your Product, Your Protection Plan shall also include up to one (1) battery repair or replacement during the first two (2) years of the Coverage Term, when the original rechargeable battery is defective as determined by Us and at Our sole discretion. We may require You to return Your original defective battery to Us to receive a replacement battery. Battery Coverage is only available for Covered Products that are new or newly manufacturer refurbished.

4. WHAT TO DO IF A COVERED PRODUCT REQUIRES SERVICE:

File a claim online at www.squaretrade.com or call Us toll-free at 1-877 WARRANTY (1-877-927-7268) and explain the problem. We will attempt to troubleshoot the problem You are experiencing. If We cannot resolve the problem, You will be directed to an authorized service center.

5. HOW WE WILL SERVICE YOUR PRODUCT:

Depending on the Product and failure circumstances, at Our discretion, We will either:

- A. Repair Your Product, or;
- B. Provide a cash settlement or a Gift Card reflecting the replacement cost of a new product of equal features and functionality up to the Coverage Amount, or;
- C. Replace Your Product with a product of like, kind, quality and functionality.

6. PLACE OF SERVICE:

At Our discretion, large items will receive on-site service. Within five (5) business days of determining Your Product requires on-site service, We will assign You an authorized service center technician and arrange to repair or replace the Product at Your location during normal business hours. If We fail to have an authorized service center technician assigned within five (5) business days, We will continue to service Your Product and the cost of Your Protection Plan will be refunded to You at Your request. On-site service may occasionally necessitate the authorized service center technician to bring the Product back to their shop to complete repairs.

For shippable items, We will provide a free prepaid shipping label to Our authorized service center for repair, replacement or settlement. You will be responsible for safe packaging and shipment of Your Product. If, upon inspection, Your Product is determined to have experienced a failure which is covered by Your Protection Plan, We will service Your Product, in accordance with Section 5, "**HOW WE WILL SERVICE YOUR PRODUCT**", within five (5) days of our authorized service center's receipt of Your Product. If We fail to repair, payout or

replace the Product within five (5) business days of receiving it, We will continue to service Your Product and the cost of Your Protection Plan will be refunded to You at Your request. If the authorized service center determines Your Product is in working condition or is not covered by Your Protection Plan, We will return Your Product to You or dispose of it at Your request.

7. LIMIT OF LIABILITY:

The total amount that We will pay for repairs or replacement made in connection with all claims that You make pursuant to this Protection Plan shall not exceed the Coverage Amount. In the event that We make payments for repairs or replacements, which in the aggregate, are equal to the Coverage Amount, or if We provide a cash settlement reflecting the replacement cost of a new item of equal features and functionality, then We will have no further obligations under this Protection Plan.

WE SHALL NOT BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, PROPERTY DAMAGE, LOST TIME, OR LOST DATA RESULTING FROM THE FAILURE OF ANY PRODUCT OR EQUIPMENT OR FROM DELAYS IN SERVICE OR THE INABILITY TO RENDER SERVICE.

8. YOUR RESPONSIBILITIES:

- A. Provide Us with a complete copy of proof of purchase. You can send Us a digital copy through www.squaretrade.com and We can store it for You, or You can provide such proof of purchase at time You make a claim.
- B. Purchase the correct SquareTrade Protection Plan for Your Product based on condition, price or purchase location.
- C. Properly maintain, store and use Your Product according to the manufacturer instructions.

9. WHAT IS NOT COVERED:

- A. Any and all pre-existing conditions that occur prior to the Coverage Start Date of this Protection Plan;
- B. Intentional damage;
- C. Lost, stolen, or irretrievable items;
- D. Any product that is fraudulently described or materially misrepresented;
- E. Maintenance, repair, or replacement necessitated by loss or damage resulting from any cause other than normal use and operation of the product in accordance with the manufacturer's specifications and owner's manual, including, but not limited to, exposure to weather conditions, failure to properly clean, maintain or lubricate, operator negligence, misuse, abuse, improper electrical/power supply, improper equipment modifications, attachments or installation or assembly, vandalism, animal or insect infestation, battery leakage, act of nature (any accident caused or produced by any physical cause which cannot be foreseen or prevented, such as storms, perils of the sea, tornadoes, hurricanes, floods and earthquakes), or any other peril originating from outside the product;
- F. Defects due to the initial installation, assembly or hookup of Your Product;
- G. Cases wherein the manufacturer acknowledges the existence of a valid manufacturer's warranty and denies a claim against the manufacturer's warranty;

- H. Claims made under any improperly or incorrectly purchased Protection Plan;
- I. Cosmetic damage to case or cabinetry or other non-operating parts or components which does not affect the functionality or the covered product;
- J. Television or personal computer monitor screen imperfections, including “burn-in” or burned CRT phosphor;
- K. Accidental damage, cracked or damaged monitor, laptop or display screens, liquid damage, lost buttons or knobs etc., unless optional accidental damage from handling (ADH) coverage was offered and purchased at the time of sale with Your Protection Plan;
- L. Projector or rear projection TV bulbs unless Bulb Coverage has been offered and purchased at the time of sale with Your Protection Plan;
- M. Consumer replaceable or consumable batteries unless Battery Coverage has been offered and purchased at the time of sale with Your Protection Plan;
- N. Consumer replaceable or consumable items such as but not limited to toner, ribbons, ink cartridges, drums, belts, printer heads, belts, blades, strings, trim etc.;
- O. All equipment intended for heavy commercial or industrial use such as industrial printers or IT equipment; riding mowers or backhoe type products;
- P. Product(s) with removed or altered serial numbers;
- Q. Manufacturer defects or equipment failure which is covered by manufacturer’s warranty, manufacturer’s recall, or factory bulletins (regardless of whether or not the manufacturer is doing business as an ongoing enterprise);
- R. Damage to computer hardware, software and data caused by, including, but not limited to, viruses, application programs, network drivers, source code, object code or proprietary data, or any support, configuration, installation or reinstallation of any software or data;
- S. Failures related to shipping damage, cleaning, preventive maintenance, “No Problem Found” diagnosis, intermittent and non-intermittent issues that are not product failures (such as poor cell phone reception);
- T. Jewelry or watches that are used or refurbished at the time of purchase;
- U. Rattan, wicker, plastic, or non-colorfast fabric furniture; or inherent furniture design defects including, but not limited to, natural inconsistencies in wood grains, fabrics, coloring or leathers; fading due to sunlight; or dust corrosion;
- V. Stains, water marks or rings on furniture caused by consumable beverages, smoke or other materials deemed by Us to be caustic;
- W. Items sold in a private sale (e.g. flea market, yard sale, estate sale, craigslist).

10. NO LEMON POLICY:

If Your Covered Product has two (2) service repairs completed for the same problem and a third (3rd) repair is needed for the same problem, within any twelve (12) month period, the Covered Product will be replaced with a comparable product or a cash settlement will be provided. The cost of the replacement will not exceed Your Product’s original purchase price.

11. FREE SHIPPING:

This Protection Plan covers all shipping charges to authorized service centers during the Coverage Term, including shipping to the manufacturer if the manufacturer does not cover shipping charges to their facilities.

12. WORLDWIDE SERVICE:

The coverage provided in this Protection Plan also applies when You travel outside of the United States. If Your Product needs repair while traveling abroad, You may file a claim online at www.squaretrade.com to obtain a claim authorization number. At this time You will be instructed on how to proceed to obtain service and You will also receive a fax number and an email address for You to submit Your service repair invoice to Us after the repair is completed. Once You have obtained Your claim authorization number, You will need to carry Your Product into a service center and then submit to Us a copy of the detailed service repair invoice that identifies Your Product, the claim authorization number, and includes a thorough description of the repair made. This documentation should be faxed or emailed to Us and We will reimburse You within five (5) business days of receipt of all necessary paperwork, provided a covered repair was performed.

13. TRANSFER OF PROTECTION PLAN:

This Protection Plan may be transferred at no charge. To transfer this Plan log in to www.squaretrade.com, or contact Us toll-free at 1-877 WARRANTY (1-877-927-7268) 24 hours a day, 7 days a week.

14. CANCELLATION:

You may cancel this Protection Plan for any reason at any time. To cancel it, log in to www.squaretrade.com or contact Us toll-free at 1-877 WARRANTY (1-877-927-7268) 24 hours a day, 7 days week. If You cancel this Protection Plan within the first thirty (30) days after purchase of this Protection Plan You will receive a 100% refund of the Protection Plan Price. If You cancel after the first thirty (30) days from purchase of this Protection Plan, You will receive a pro rata refund based on the time remaining on Your Protection Plan. No fees or past claims shall be deducted from the refund and the refund will be sent to You within ten (10) business days from the cancellation request or else a ten percent (10%) penalty per month shall be applied to the refund.

We may cancel this Protection Plan at Our option on the basis of nonpayment, fraud, or material misrepresentation by You. If We cancel Your Protection Plan, You will receive a pro rata refund. If this Protection Plan was inadvertently sold to You on a product which was not intended to be covered by this Protection Plan, We will cancel this Protection Plan and return the full purchase price of the Protection Plan to You. Written notice which includes the effective date of cancelation and reason for cancelation, will be mailed to You at least thirty (30) days prior to termination. If We cancel this Protection Plan for nonpayment then We will provide notice at time of cancellation.

15. ARBITRATION:

Any controversy or claim arising out of or relating to this Protection Plan, or breach thereof, will be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Under this Arbitration provision, We both give up the right to resolve any controversy or claim arising out of or relating to this Protection Plan by a judge and/or a jury. Prior to filing any arbitration, We jointly agree to seek to resolve any dispute between us by mediation conducted by the AAA, with all mediator fees and expenses paid by

Us. If You are successful in obtaining an arbitration award against us greater than \$500, We agree to pay all arbitrator fees and expenses.

We also agree not to participate as a class representative or class member in any class action litigation, any class arbitration or any consolidation of individual arbitrations against each other. The laws of the state of California (without giving effect to its conflict of laws principles) govern all matters arising out of or relating to this Protection Plan and all transactions contemplated by this Protection Plan, including, without limitation, the validity, interpretation, construction, performance and enforcement of this Protection Plan. A judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The parties specifically agree to the binding nature of the arbitration.

16. GUARANTEE:

This is not an insurance policy. Our obligations under this Protection Plan are guaranteed under a reimbursement insurance policy issued by Starr Indemnity & Liability Company. Starr Indemnity & Liability Company is located at 399 Park Avenue, 8th Floor, New York, NY 10022 and You may contact them toll-free at (855) 438-2390. If We fail to pay or provide service on a claim within sixty (60) days after proof of loss has been filed, You are entitled to make a claim directly against Starr Indemnity & Liability Company.

17. ENTIRE CONTRACT:

Unless amended by the State Specific Provisions or revised by Us with at least thirty (30) days advance written notice to You, this Protection Plan sets forth the entire contract between the parties and no representation, promise or condition not contained herein shall modify these terms.

State Variations:

The following state variations shall apply if inconsistent with any other terms and conditions.

California: If You decide to cancel Your Protection Plan for a product other than a home appliance or electronics item within sixty (60) days after the receipt of the Protection Plan You will be refunded the full price paid for the Protection Plan. If You decide to cancel your Protection Plan for this type of item after sixty (60) days after the receipt of the Protection Plan You will receive a pro-rated refund based on the time remaining on Your Protection Plan. All Protection Plans for home appliance or home electronics are covered by the "Cancellation" section of the Protection Plan.

Connecticut: Resolution of Disputes: If You purchased this Protection Plan in Connecticut, you may pursue arbitration to settle disputes between You and the provider of this Protection Plan. You may mail Your complaint to: State of Connecticut, Insurance Department, P.O. Box 816, Hartford, CT 06142-0816, Attn: Consumer Affairs. The written complaint must describe the dispute, identify the price of the product and cost of repair, and include a copy of this Protection Plan. You have the right to cancel this Protection Plan if You return the product or if the product is sold, lost, stolen, or destroyed. If We cancel this Protection Plan, written notice including effective date and reason for cancellation will be mailed to You electronically or by U.S. Mail at least 30 days prior to termination.

Florida: The rates charged to You for this Protection Plan are not subject to regulation by the Florida Office of Insurance Regulation. The Guarantee, in Section 16, does not apply to Protection Plans sold (2014-1-1) STC-Standard

in Florida as this Protection Plan is directly issued by the insurer, Starr Indemnity & Liability Company, 399 Park Avenue, 8th Floor, New York, NY 10022.

Georgia: Cancellation will comply with Section 33-24-44 of the Georgia Code. Failure to refund in accordance with the aforementioned Section will make Us liable for penalty equal to 25% of refund and interest of 18% per annum until refund is paid, not to exceed 50% of refund. The waiting period will not exceed 30 days. Arbitration is non-binding. Section 9 (A) "What is Not Covered" of these Terms and Conditions is deleted in its entirety and replaced with the following: Any and all pre-existing conditions known to You that occur prior to the Coverage Start Date of this Protection Plan.

Nevada: This Protection Plan is not renewable. If We cancel this Protection Plan for nonpayment by You, then We will provide notice at least 15 days prior to the effective date of cancellation. We may cancel this Protection Plan at Our option on the basis of nonpayment, fraud, or material misrepresentation by You. Prior approval of service should be obtained as outlined in the "WHAT TO DO IF A COVERED PRODUCT REQUIRES SERVICE" or "WORLDWIDE SERVICE" sections of the Protection Plan. Section 15 "Arbitration" of these Terms and Conditions is deleted in its entirety.

Waiting Period: This is the amount of time from the Protection Plan Purchase Date during which if any issues occur, they are considered pre-existing conditions and render the item ineligible for coverage under this Protection Plan. To see the length of the Waiting Period, please refer to the ORDER SUMMARY at the top of the first page of this Protection Plan.

Oklahoma: This Protection Plan is not issued by the manufacturer or wholesale company marketing the product. This Protection Plan will not be honored by such manufacturer or wholesale company. The Oklahoma Service Agreement statutes do not apply to commercial use references in Protection Plan contracts. Coverage afforded under this Protection Plan is not guaranteed by the Oklahoma Insurance Guaranty Association. If You cancel after the first thirty (30) days from purchase of this Protection Plan, You will receive a one hundred percent (100%) unearned pro rata refund based on the time remaining of Your Protection Plan.

Oregon: Arbitration: If You are a resident of Oregon, the following shall replace Section 15 "Arbitration" of these Terms and Conditions: Any arbitration occurring under this policy shall occur in an agreed upon location by both parties and be administered in accordance with the Arbitration Rules unless any procedural requirement of the Arbitration Rules is inconsistent with the Oregon Uniform Arbitration Act in which case the Oregon Uniform Arbitration Act shall control as to such procedural requirement. Any award rendered shall be a nonbinding award against You. Under no circumstances shall a legal proceeding be filed in a federal, state or local court until such time as both You and We first address our disagreement in an arbitration proceeding and obtain an arbitration award pursuant to this arbitration provision.

South Carolina: In the event of a dispute with the provider of this Protection Plan, You may contact the South Carolina Department of Insurance, Capitol Center, 1201 Main Street, Ste. 1000, Columbia, South Carolina 29201 or (800) 768-3467. This Protection Plan is not an insurance contract.

Texas: The administrator for this Protection Plan is SquareTrade, Inc. registration number 155.

Utah: Replacement parts will be new, rebuilt or non-original manufacturer's parts that perform to the factory specifications of the Covered Product at Our sole option. Coverage afforded under this Protection Plan is not guaranteed by the Property and Casualty Guaranty Association. This (2014-1-1) STC-Standard

Protection Plan is subject to limited regulation by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department. Notice of cancellation for nonpayment of the purchase price of this Protection Plan will be in writing given at least ten (10) days prior to cancellation.

Washington: Section 16 of these Terms and Conditions is deleted in its entirety and replaced with the following: This is not an insurance policy. Obligations of the service contract provider under this contract are backed by the full faith and credit of the service contract provider, Starr Technical Risks Agency, Inc. Starr Technical Risk Agency, Inc. is located at 399 Park Avenue, 8th Floor, New York, NY 10022 and You may contact them toll-free at (855) 438-2390.

Wisconsin: The term "Protection Plan" in these terms and conditions shall be understood to mean "Service Contract". **THIS CONTRACT IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE.** No claim will be denied solely because You failed to obtain preauthorization. This Service Contract, including optional ADH coverage, does not provide coverage for intentional damage and/or pre-existing conditions that occur prior to the Coverage Start Date. **Arbitration:** The laws of the state of Wisconsin shall govern all matters arising out of or relating to this Service Contract. Arbitration is non-binding. Under no circumstances shall a legal proceeding be filed in a federal, state or local court until such time as both You and We first address our disagreement in an arbitration proceeding and obtain an arbitration award pursuant to this arbitration provision. **Cancellation:** We shall mail a written notice to You at the last-known address contained in our records at least five (5) days prior to cancellation by Us. This notice will include the effective date of and reason for the cancellation. In the event of a total loss of property covered by a Service Contract that is not covered by a replacement of the property pursuant to the terms of the Service Contract, You shall be entitled to cancel the Service Contract and receive a pro rata refund on any unearned provider fee, less any claims paid. If a claim has been made under this Service Contract, You may cancel the Service Contract and We shall refund to You one hundred percent (100%) of the unearned pro rata provider fee, less any claims paid.

Wyoming: The provider of the service contract shall mail a written notice to the service contract holder at the last known address of the service contract holder contained in the records of the provider at least ten (10) days prior to cancellation by the provider. Prior notice is not required if the reason for cancellation is nonpayment of the provider fee, a material misrepresentation by the service contract holder to the provider or a substantial breach of duties by the service contract holder relating to the covered product or its use. **Arbitration:** If You are a resident of Wyoming, the following shall replace Section 15 "Arbitration" of these Terms and Conditions: At the time of any disagreement, the parties may mutually agree to submit any matters of difference to arbitration by executing a separate written agreement. Any arbitration shall be conducted within the state of Wyoming.